

1 SENATE BILL 419

2 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

3 INTRODUCED BY

4 Leo Jaramillo

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10 AN ACT

11 RELATING TO PROTECTING VULNERABLE ADULTS FROM FINANCIAL
12 EXPLOITATION; PROVIDING FOR ADDITIONAL REASONS TO DELAY
13 DISBURSEMENTS OR TRANSACTIONS; EXPANDING WHO MAY INITIATE A
14 DELAY; PROVIDING FOR ADDITIONAL EXTENSIONS OF A DISBURSEMENT
15 DELAY IN CERTAIN CIRCUMSTANCES.

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17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

18 SECTION 1. Section 58-13D-5 NMSA 1978 (being Laws 2017,
19 Chapter 106, Section 5) is amended to read:

20 "58-13D-5. DELAYING DISBURSEMENTS OR TRANSACTIONS.--

21 A. A broker-dealer or investment adviser may delay
22 a disbursement or transaction from an account of an eligible
23 adult or an account on which an eligible adult is a beneficiary
24 if:

25 (1) the broker-dealer, investment adviser or

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1 qualified individual reasonably believes, after initiating an
2 internal review of the requested disbursement or transaction
3 and the suspected financial exploitation, that ~~[the requested~~
4 ~~disbursement or transaction may result in financial~~
5 ~~exploitation of an eligible adult]~~ financial exploitation of
6 the eligible adult has occurred, is occurring, has been
7 attempted or will be attempted; and

8 (2) the broker-dealer or investment adviser:

9 (a) immediately, but in no event more
10 than two business days after the requested disbursement or
11 transaction, provides written notification of the delay and the
12 reason for the delay to all parties authorized to transact
13 business on the account, unless any such party is reasonably
14 believed to have engaged in suspected or attempted financial
15 exploitation of the eligible adult;

16 (b) immediately, but in no event more
17 than two business days after the requested disbursement or
18 transaction, notifies the agencies; and

19 (c) provides, upon a request by the
20 securities division of the regulation and licensing department
21 or the adult protective services division of the aging and
22 long-term services department, a status report of the internal
23 review required pursuant to Paragraph (1) of this subsection.

24 B. Any delay of a disbursement or transaction as
25 authorized by this section will expire upon the sooner of:

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1 (1) a determination by the broker-dealer or
2 investment adviser that the disbursement or transaction will
3 not result in financial exploitation of the eligible adult; or

4 (2) fifteen business days after the date on
5 which the broker-dealer or investment adviser first delayed
6 disbursement or transaction, unless ~~[either of the agencies~~
7 ~~requests that the broker-dealer or investment adviser extend~~
8 ~~the delay, in which case the delay shall expire no more than~~
9 ~~twenty-five business days after the date on which the broker-~~
10 ~~dealer or investment adviser first delayed disbursement or~~
11 ~~transaction unless]~~ otherwise terminated or extended by either
12 of the agencies, a state regulator or agency of competent
13 jurisdiction or an order of a court of competent jurisdiction
14 or extended pursuant to Subsection C of this section.

15 C. Provided that the broker-dealer's, investment
16 adviser's or qualified individual's internal review of the
17 facts and circumstances supports the broker-dealer's,
18 investment adviser's or qualified individual's reasonable
19 belief that financial exploitation of the eligible adult has
20 occurred, is occurring, has been attempted or will be
21 attempted, the temporary hold authorized in Subsection A of
22 this section may be extended by the broker-dealer or investment
23 adviser for no longer than ten business days following the date
24 authorized by Paragraph (2) of Subsection B of this section,
25 unless otherwise terminated by either of the agencies, a state

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1 regulator or agency of competent jurisdiction or a court of
2 competent jurisdiction or extended pursuant to Subsection D of
3 this section.

4 D. Provided that the broker-dealer's or investment
5 adviser's internal review of the facts and circumstances
6 supports the broker-dealer's, investment adviser's or qualified
7 individual's reasonable belief that financial exploitation of
8 the eligible adult has occurred, is occurring, has been
9 attempted or will be attempted and the broker-dealer or
10 investment adviser has provided notification of the
11 broker-dealer's or investment adviser's reasonable belief to
12 the agencies, the temporary hold authorized by this section may
13 be extended by the broker-dealer or investment adviser for no
14 longer than thirty business days following the date authorized
15 by Subsection C of this section, unless otherwise terminated by
16 either of the agencies, a state regulator or agency of
17 competent jurisdiction or a court of competent jurisdiction.

18 ~~[E.]~~ E. A court of competent jurisdiction may enter
19 an order extending the delay of the disbursement or transaction
20 or may order other protective relief based on the petition of
21 the director of the securities division of the regulation and
22 licensing department, the director of the adult protective
23 services division of the aging and long-term services
24 department, a state regulator or agency of competent
25 jurisdiction, the broker-dealer or investment adviser that

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1 initiated the delay under this section or other interested
2 party."

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